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Vesco Said Aiding Cuban, Nicaraguan Drug Trade

Los Angeles Times

Fugitive financier Robert L. Vesco is collaborating with Cuban and Nicaraguan officials to smuggle narcotics into the United States and Europe, the head of the U.S. Customs Service said yesterday.

William Von Raab told a Senate panel that Vesco has worked closely with a top aide to the Nicaraguan interior minister and that funds from the drug trade have been used to purchase weapons for the Sandinista government's war with Nicaraguan rebels.

Von Raab and John C. Keeney, a Justice Department official, said Vesco's participation in drug-smug-

gling activities has been documented by several intelligence sources.

Vesco, who fled the United States 13 years ago to avoid federal charges of financial fraud and campaign-law violations, is known in the Caribbean as a middleman in drug and money-laundering operations, Von Raab said.

Cuba's role in the operation has been to provide protection for drug smugglers moving narcotics to the United States, Von Raab testified.

Sen. Paula Hawkins (R-Fla.), panel chairman, said Nicaraguan officials want "to raise the hard cash they need" to defeat the antigovern-

ment rebels and seek "to destroy American youth" with drugs.

However, Sen. Christopher J. Dodd (D-Conn.) objected to what he called Hawkins' attempt to single out Nicaraguan officials as being primarily responsible for the influx of drugs.

The Nicaraguan Embassy here issued a statement denying that its government is involved in the drug trade. "We consider it one more try of the Reagan administration to discredit the government of Nicaragua," the statement said.

But James Herring, a former drug trafficker, told the subcommittee that Vesco and his associates were protected by the Nicaraguan and Cuban governments. [CBS News, quoting unidentified U.S. law enforcement sources, reported last night that Vesco has fallen out of favor with the Castro government and has been under virtual house arrest in Cuba for several months.]